

**COUNTY EMPLOYEES' ANNUITY & BENEFIT FUND OF COOK COUNTY**  
**And Ex-Officio for the**  
**FOREST PRESERVE DISTRICT ANNUITY & BENEFIT FUND**  
**MEETING OF THE BOARD OF TRUSTEES**  
**33 N. DEARBORN STREET-ROOM 1000**  
**CHICAGO, ILLINOIS 60602**

**Minutes for September 2, 2010 Meeting of the Board**

The County Fund and the Forest Preserve District Fund are herein collectively referred to as the "Fund".

Call to Order and Roll Call.

Trustees Present: Robert Agnes, Robert Benjamin, John E. Fitzgerald, William Granberry, Mark Kilgallon, Patrick McFadden

Staff Present: Daniel R. Degnan, Executive Director, Penny Finch, Chief Operating Officer, Nickol Hackett Chief Investment Officer, Dawn Damato, Disability Counselor

Others Present: Mary Pat Burns, Burke, Burns & Pinelli, Christine M. Trzos, Annuitant

Mr. Kilgallon presided.

1. Review and Consideration of:

a. August 4, 2010 Board Meeting Minutes.

It was moved by Trustee Fitzgerald and seconded by Trustee Benjamin that the minutes of the August 4, 2010, Board Meeting be adopted as amended.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Bills, Payroll Records, Annuities, Spouse & Child Annuities, Ordinary & Duty Disabilities and Refunds.

It was moved Trustee Fitzgerald and seconded by Trustee Benjamin that the presented payroll bills and recommendations for annuities, disabilities and refunds be approved.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED

2. Other Benefit Matters:

a. Appointment of Hearing Officer- In the Matter of Lagerberg

It was moved by Trustee Benjamin and seconded by Trustee Agnes that Retired Judge Michael C. Close be appointed to serve as the hearing officer for the administrative hearing requested by Ms. Lagerberg.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED

The Trustees further instructed that staff prepare a list of hearing officers and process for selection of hearing officers for the Board.

3. Investment Matters

a. Recommendation from August 26, 2010, Investment Committee

It was moved by Trustee Benjamin and seconded by Trustee Granberry, based upon the recommendations of the Investment Committee, that the County Fund's Investment Policy Guidelines be modified for international mandates such that exposure to emerging markets be limited to 5% plus the weight of the portfolio's appropriate benchmark and it is further moved that the Fund's staff, in consultation with the Fund's legal counsel, be authorized to take all action reasonably necessary to effectuate the foregoing, including the execution and delivery of related written documents on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Benjamin and seconded by Trustee Granberry, based upon the recommendations of the Investment Committee, the conditions for funding having been satisfied, that the County Fund and the Forest Preserve Fund may resume contributions to their respective core real estate investments with TIAA-CREF and American Realty Advisors and make available the full remaining committed capital, if requested, for acquisitions through the remainder of the funding period subject to Fund Investment Staff review. It is further moved that the Fund's staff, in consultation with the Fund's legal counsel, be authorized to take all action reasonably necessary to effectuate the foregoing, including the execution and delivery of related written documents on the Funds' behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED

b. Travel Approval

It was moved by Trustee Benjamin and seconded by Trustee Granberry, consistent with the recommendations of the Funds' professional staff and the Funds' counsel, that the expenses, including any associated travel expenses, incurred by any Trustee or Fund employee in attending the TIAA-CREF Annual Advisory Board Meeting for Major Investors on November 18, 2010, in New York, New York at a projected cost not to exceed \$1,500 be approved, provided that reimbursement be consistent with the Funds' Travel Expense and Reimbursement Policy.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED

It is moved, consistent with the recommendations of the Funds' professional staff and the Funds' counsel, that the expenses, including any associated travel expenses, incurred by any Trustee or Fund employee in attending the Progress Investment Management Biennial Emerging Managers Summit on November 21-23, 2010, in Irving, Texas, at a projected cost not to exceed \$1,250 be approved, provided that reimbursement be consistent with the Funds' Travel Expense and Reimbursement Policy.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED

4. Ethics Policy

Fund Counsel, Mary Pat Burns, addressed the Board with respect to the draft Ethics Policy. She informed the Trustees that she and the Executive Director collaborated on the revised Ethics Policy and that it was being presented for comment and/or adoption. She explained that Board adopted the Cook County Ethics Policy as its own in 2005, but that the Cook County Ethics Policy did not apply directly to the Funds or the Trustees. She further explained that as such it would be difficult for the Trustees to apply it. She went on to explain that the Fund Investment Policy references the Ethics Policy and that it may be confusing because of the references to the County instead of the Fund.

After a complete discussion of the matter the Trustees directed Ms. Burns to finalize the document and re-present it at the next regular Board meeting.

5. Disability Handbook

Ms. Finch explained that as was done with the Health Benefit Handbook, staff undertook a drafting of a Disability Handbook in an effort to provide clear direction to members with regard to disability benefits. She reminded the Trustees that they discussed some of the disability rules in detail earlier this year and explained that the Handbook was an effort to memorialize those rules and procedures. The Trustees discussed the general tone of the Handbook, provided feedback for some specific sections and instructed staff to revise the document and present it at a later Board meeting.

6. Legal Matters

It was moved by Trustee Fitzgerald and seconded by Trustee Benjamin that the Board convene an Executive Session pursuant to Section 2(c)(11) of the Open Meetings Act, 5 ILCS 120, to discuss matters of probable litigation.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee Benjamin that the Executive Session be adjourned and that the Board return to open session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

7. Adjournment

After consideration of all other items of business, it was moved and seconded that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

The Board's next regular meeting is scheduled for October 6, 2010.